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LINKS BETWEEN THE ECONOMIC FRAMEWORK AND THE ENVIRONMENT IN THE SOLOMON ISLANDS

By

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INTRODUCTION

1. The last official National Development Plan for the Solomon Islands covered the period 1985 to 1989. This plan was suspended in early 1989 and replaced by a Programme of Action for the period 1989 to 1993. While this Programme of Action initially provided a basis for prioritizing development efforts, it has not been systematically reviewed or updated to take account of changing domestic land international events. Since about mid -1991, it has ceased to serve as a guide for economic development in the country.

2. The lack of a clear set of national strategies has led to the appearance of a number of weaknesses in the process of development planning and management in the country. Such weaknesses inevitably lead to less than optimum performance and to the implementation of non-sustainable projects and programmes.

3. The Solomon Islands is fortunate, compared to many other developing countries, in that it has a favourable natural resource endowment and, even though its population is increasing rapidly by international standards, it enjoys overall low population density.

4. The process of policy formulation and the identification of development strategies for implementing the policy measures, requires that the following issues be considered:

> What is the present situation? What is wrong or has gone wrong socio-economically and why does it need correction?
>
> What needs to be done? Identification of key issues and constraints, policy objectives and analysis of policy options.
>
> What resources are available? Assessment of available resources (physical, financial, human) and the formulation of the required strategies, taking into account the need for sustainablity, including environmental issues.
>
> What are the policy options and how are the most appropriate ones to be implemented?

5. The strength or weakness of a nation's economy, may be symptomatic of the political will that drives it. Developments, at whatever level or of whatever nature, depend very much on allocations of resources, usually finance and manpower. Of these, manpower is probably of crucial importance. Without expert manpower, funds could be wasted, even in large projects and the country would be worse off, as it is committed to repaying the money, assuming these were borrowed funds. The Solomon Islands has had its share of such problems.

6. The review considered both the political and administrative structure of the government to be important, including certain legal instruments which also have effects on the national economy, not only in terms of what would be produced but also in terms of direct costs on the economy.

7. Of the three constitutional institutions, the Executive, Legislature and Judiciary, the review has limited itself to the Executive and some of its operative functions. It slightly touched on the Legislature, in terms of the

two-tier system of national and provincial governments and their respective roles. Very little is said about the Judiciary, because it is not directly responsible for economic developments in the country.

8. The obvious weakness and a cause of concern has been the lack of coordination of all development programmes. This has persisted since the achievement of political independence. There are development programmes being promoted by some ministries of the government which are adversely affecting others. Unfortunately, this has not been recognized as a problem.

9. The overall impacts and effects of development on the environment in the country are very noticeable, particularly, as they relate to local communities and their immediate surroundings. Most damages to the environment are done by the local people themselves with government assistance. Agricultural developments top the list of those which have heavy impacts on the environment. Forestry developments, comparatively, are of recent times. Their impacts on the environments are localised and limited to areas where logging operations have or are taking place.

10. The combined effects of both agricultural and logging operations have increased the impacts on the environment. Uncoordinated developments in the country have rendered environment considerations, if any impossible. The absence of appropriate legislations, especially suitable for resource management in customary land, is of much concern.

I. Economic structure

11. In any given situation the structure of an economy will, in large measure, determines the environment within which economic policy measures and strategies can be framed.

12. In the case of the Solomon Islands the economy is:

(a) Open, in that trade, both imports and exports, are responsible for generating a large part of economic activity;

(b) Oriented towards agricultural and primary production and processing in the industrial, plantation and smallholder sectors;

(c) Loosely regulated: there are few trade restricting regulations or price control; market forces are allowed fairly free play in setting prices for domestic goods and services, including the price of foreign exchange, and in determining resource allocations;

(d) Only partly monetised; a significant proportion of the population lives in rural communities where the monetised economy plays only a relatively small part in the way of life. This is changing as transport infrastructure improves, market access becomes easier and foreign investment in logging and other resource exploitation impacts on the rural areas;

(e) Limited in its degree of financial repression thus, helping to maintain positive real interest rates;

(f) Geographically and demographically fragmented; The many islands and small village communities are widely distributed making physical communications and the provision for economic and social infrastructure difficult and costly;

(g) Decentralised through the provincial administration with many powers and responsibilities being devolved from the central government;

(h) Limited in its resource base, both in terms of investment funds and potential for exploitation;

(i) Burdened by and over large public sector;

(j) Constrained by its relatively small domestic revenue base and thus its limited recurrent budget resources;

(k) Faced with providing public services and creating employment;

(l) Constrained by its limited resources of skilled and trained manpower.

II. Development in the Solomon Islands since independence

13. Economic activity in the Solomon Islands is dominated by export oriented primary production focused on copra, coconut and palm oil, cocoa, logging and fisheries. The public sector also accounts for a significant part of economic activity while the subsistent agricultural sector provides the basis for the rural economy on which over 80% of the population rely for their livelihood.

14. Since independence, however, there has been little structural change in the pattern of economic activity. In particular, the manufacturing sector, remains small, accounting for an estimated 5% of GDP. However, the recent establishment of a brewery, garment factory and other light engineering enterprises suggests that some measurable growth may be taking place in this sector. The individual primary sectors have fluctuated from year to year as international commodity price fluctuations and local climatic conditions have impacted on each sector in turn.

15. Exploitation of the nation's natural resources has increased rapidly in recent years, particularly in logging. Regrettably, many of the benefits from this sector accrue to overseas investors while the disadvantages in the form of environmental damage and land degradation have been borne by the rural people.

16. The Solomon Islands' economy is highly open with international trade making up between 45-50% of GDP. Economic performance is thus strongly influenced by changes in external terms of trade, the availability of foreign exchange and the impact of climatic events.

17. In the first five years after gaining independence the economy grew steadily, averaging an estimated 4.5% per annum increase in GDP. Performance peaked in 1983-1984 when, firstly, an improvement in the terms of trade strengthened the balance of payment position and helped to reduce the current account deficit to less than 10% of GDP and, secondly, expenditure restraint by government reduced the budget deficit to only 3% of GDP and resulted in only limited domestic borrowing by the government. Against these positive factors money supply grew strongly, fuelled by the accumulation of foreign reserves and high demand for credit from the private sector. An increase in inflation was the primary consequence of these factors.

18. In 1985-1986 the international environment took a dramatic turn against the primary producing countries; international commodity prices fell bringing the Solomon Islands terms of trade down by some 25% in the space of two years.

The country's export sector, together with much of the economic infrastructure, was further damaged by Cyclone Namu in 1986. These two factors combined had a profound impact on economic performance. GDP growth averaged only 1.4% per annum over the two years 1985/86 but recovered to about 4% per annum during 1987-1991.

19. The government's response to the impact of the cyclone was to increase public sector expenditure and to focus the development programme on reconstruction and infrastructure development. Economic recovery after the cyclone was also assisted by the expansion of the tuna industry with the opening of the new tuna cannery of Noro in 1990.

20. These factors resulted in GDP growth of an estimated 2.5% in 1987, rising to 5.4% in 1988 and 6.2% in 1989. During this period the level of public expenditure was increased. Its share of GDP rose from an average of 32% in the 1981-1986 period to over 40% after 1987/88. The increase in public expenditure was accompanied by an increase in the government's annual domestic borrowing to finance the budget deficit, which rose from SI$6.2 million in 1988 to almost SI$70 million in 1991.

21. As government borrowing increased, net foreign assets declined, from SI$75 million in 1988 to only SI$16 million at the end of 1991. GDP growth also stalled again in 1991, largely as a result of the decline in that year of agricultural sector exports, primarily palm oil and copra and also in logging. With the boost in logging in 1992, coupled with the high levels of output in the other agricultural sector exports, GDP growth was buoyant rising by an estimated 8% after the 3.2% of 1991.

22. Buoyant exports and the fact that government deferred payments of many of its overseas commitments, provided a temporary basis for a much reduced domestic borrowing requirement in 1992, only some $30 million compared to SI$70 million of 1991. Net foreign assets were able to recover to a level of almost SI$70 million at the end of 1992.

23. The strong demand for government borrowing kept interest rates high and private sector borrowing constrained. Inflation was also force higher by the increases in domestic credit and averaged around almost 13% per annum during the period 1986-1992.

24. Economic performance in the Solomon Islands has, therefore, been erratic over the 15 years since independence. Performance has been influenced primarily by:

(a) External events in the international commodity markets where prices have been pushed lower and the nation's terms of trade have declined significantly;

(b) Climatic events, Cyclone Namu in 1986 and, to a lesser extent, Cyclone Nina in 1993 which had an adverse impact on the economic production and infrastructure; and

(c) By the expansion in government expenditure to meet the needs of a rapidly increasing population resulting in a larger budget deficit.

Of these three factors only the last is within the government's power to influence and it is, perhaps, the most important in terms of the long term performance of the economy. While the public sector is taking an overly large

share of scarce domestic savings and investment resources, the private sector will be 'crowded-out'; it will be unable to secure affordable credit with which to invest profitably and thereby create employment and wealth throughout the country.

III. National development

25. The Solomon Islands has been following a set of broad national development objectives, covering both social and economic parameters, as a basis for establishing the strategies for sustainable development which are to be implemented to give effect to the structural changes required.

26. The national development objectives may be summarized as:

- To promote economic development and growth in per capita incomes in a manner consistent with other socio-environmental policies;
- To promote and regulate the level of economic activity and to mange aggregate effective demand within the resource constraints of the country;
- To promote the more equitable distribution of income between sectors and/or regions;
- To increase the socio-economic welfare of the people.

27. National Development Strategies

Strategies for national development therefore aimed at:

(a) Bringing about both structural change and a broadening of the economic base of the country in order to provide the basis for sound and sustainable economic growth to the end of the century and beyond; and

(b) Meeting the socio-economic criteria relating to population planning, education, health and welfare and the protection of the environment for future generations.

In order to achieve these national development objectives a development strategy with the following central components would be needed:

(a) To increase the levels of investment in the development of;

(b) The human resources of the country, including population planning, health and welfare and education and training;

(c) The natural resources potential, both primary and processed, consistent with levels of sustainable exploitation;

(d) The physical, economic and social infrastructure, to support other economic and social development;

(e) To provide an institutional, administrative and legislative environment conducive to the encouragement and development of private sector initiative and investment;

(f) To limit the role of government to the provision of supporting infrastructure and services, thereby reducing both the role of the state in economic activities and the costs of the administration;

(g) Through the Provincial Government structure to encourage individuals and communities to participate fully in the development process;

(h) Establish an economic reform programme consisting of two components;

(i) A short-term stabilisation component designed to restructure government's finances by reducing demand, through measures aimed at minimising the recurrent budget and external current account deficits;

(j) A longer-term Structural Adjustment Programme designed to impact on the supply-side of the economy thereby bringing about changes in the economic capacity of the country, through measures to control inflation, to reduce the role of government, taxation reform, privatisation, improving efficiency and productivity and measures to ease the social impact brought about by the necessary adjustment programmes; and

(k) The protection of the environment and the ecological balance in the country so that future generations are not disadvantaged by unsustainable resource exploitation.

These national level strategy components must be linked to and developed at the sector level to provide a coordinated, integrated and sustainable development programme for the economy as a whole.

IV. Land tenure

28. The Solomon Islands has two basic land tenure systems in operation; these are customary land and registered land. Registered land provide the best security. Unfortunately, this makes up only some 20% of the total land in the country. Customary land which makes up 80% is where many of the large developments are found; particularly, within the natural resources sector.

29. Transactions in customary land is usually complex and time consuming. Ownership is by groups of blood related individuals who identify themselves through genealogies. When development is required in part of any customary land a process of land acquisition is applied. This involves a series of public hearings, to determine those who are rightful owners, regardless of the fact that certain conclusions are made, but this is never satisfactory. One of the main reasons for this is the inappropriateness of the procedures applied at public hearings. These tend to place great stress on matters of less importance in custom, and omit those of customary significance.

30. Previous policies did not allow direct dealing between the local people and any foreign investor, except through the government.

31. The government first, secures a lease of customary land, at the conclusion of acquisition before making a sub-leasing to the foreign investors. Duration of the lease may vary depending on the nature of the development. In areas where only logging is anticipated, it is considered best to release the land for other uses soon after timber exploitations to the original owners. In some areas forestry replanting programmes are carried out following loggings.

32. So far there is no satisfactory machinery for dealings in customary land. Recently the government passed a Bill in Parliament known as the Customary Land Records Bill, which will become law when published. Unfortunately, the content of this Bill has fallen outside of the real areas of need. It appears to have drawn heavily on certain provision of existing laws. On the other hand, there is fear that this new legislation would be a major source for serious land disputes, outstripping what has so far been experienced in the country. Understanding of the fabrics of customary lands in government administration is far from sufficient. This is where the root of the whole problem lies.

33. Most registered land in the country is owned by the government. Some of these were acquired from previous foreign owners who claimed to have purchased them from customary owners. Some people are disputing these, saying their ancestors did not sell them. In other cases, the disputes are mainly about boundaries. As successors to the previous foreign owners, whose transactions are being disputed, the government could be forced to return some land to their original customary land owners. There is no question that registered land provides absolute security for economic development of the Solomon Islands, and/or resource management.

34. The impacts of developments on the environment is greatest in land held under customary tenure than it is in registered lands. Owing mainly to the fact that the current Land and Titles Act (Cap 93 of the Solomon Islands Laws) provided mainly for dealings in registered land. Breaches of these are therefore liable to prosecutions in the courts. If anything, only a brief mention is contained in the Lands and Titles Act, on the question of customary Land. Even so all that it said is that all dealings in customary land, must be in accordance with current customary practices.

35. As customary practices have no written codes whatsoever, it is therefore extremely difficult to prosecute anyone dealing in customary land. Moreover, the expression "current customary practices" as is used in legal terms, attempts to accommodate any changes in customary practices, thus opening the flood gates. This has led to numerous disputes, as there are The Solomon Islanders, who are forever more, wishing to change customary practices to personally suit themselves.

36. Although in the National Constitution of the Solomon Islands, it is stated that all lands in the Solomon Islands are owned by the people. This has fallen far short of the realities of life, as far as customary land is concerned, especially in determining who owns what piece of land. Customary land is owned by a group of blood related persons; however, provisions in the National Constitution and the Land and Titles Act are so imprecise that most people are taking advantage of them.

37. These people could personally claim ownership of a piece of customary land, which is obviously not correct; nevertheless, the courts still accept these. Whether this is because of ignorance of the facts or by virtue of what is contained in the Land and Titles Act, regarding the expressions "current customary practices". Should the latter be the case, then clearly the courts are imposing changes from what is customary to a new tenure altogether. Instead of land being owned collectively, it has become individually owned.

38. With customary land making up 80% of all of the land of the Solomon Islands, together with the fact that customary practices which are supposedly to regulate developments in customary land, so far have not been codified, the

country is facing a real problem in resource management. For example, where a company is logging in land which is under customary tenure, forestry officers are not empowered to enter the premises of such a company to carry out inspection for possible breaches of the terms of their logging licences. This is because of limitations of the Land and Titles Act concerning dealings in customary land. The only exception is provided under the sections relating to Compulsory Acquisition. This empowers the Commissioner of Land to take possession of any land including land under customary tenure for a "public purpose". Public purpose, in this context means hospitals and schools but airfields and roads or wharves are technically not covered.

39. It is obvious that there is a misconception held, both by outsiders and local authorities, that logging operations alone are having an impact on the environment. The greatest impact on the environment is caused by the Solomon Islanders themselves in pursuing their many agricultural projects. These are having a direct adverse effect on the people in rural communities. The people have totally disregarded their traditional practices, which is to conserve the environment, and have become even more abusive in some of the things they do.

40. Land which is usually used for village gardens are being taken up by coconut plantations and water used for drinking by villagers is being fenced in by cattle projects. In some parts people have lost all their house building materials as very little is left. Considering all the individual farmers in the Solomon Islands and their many projects, the total area of land they have subjected to environmental degradation could easily exceed that which is under logging operations.

41. In order to overcome the current land problems of the country there is an urgent need to put into place a piece of legislation, which must first recognize the various tribes in the Solomon Islands as the owners of all customary land. Following this, legislation to assign to these tribes the areas of land which each of them owned. These must be well demarcated on the ground once and for all. If this is properly done, it is possible that the tribes could become owners of "customary registered land". The difference between this and the land registered under the Land and Titles Act is that in the former, land administration is firmly in the hands of the tribes, while in the latter, the Commissioner of Land is the sole administrator.

42. Traditionally, those who are the true owners of customary land have most precise and intimate knowledge about the land and all the features of that piece of land. With this knowledge they take great care of the land, with a personal feeling that the land represented their total well-being. When the courts award land to the wrong parties, as a result of a dispute, the new owners have no or little respect for such land. For this reason they have caused considerable destructions to the land including selling it, as they know fully well they don't own them under customary tenure.

43. Since the introduction of modern agricultural practices to the country, the emphasis has been heavily biased towards the cash economy. Development was not based on any set policies but depended very much on the agricultural officer who was currently at the post. If the officer was a specialist or had a special interest in any crop, that particular crop was promoted for local farmers. This was regardless of whether or not, climatically, such crops could be successfully grown locally. In many cases, little research was done to determine suitability of the crop. Many areas of land have been wasted through this ill practise. What has been happening is that most expatriates, want to demonstrate that during

their period of service, they have positively contributed to the overall development of the country. This is indicative by the areas of land cleared, of which some areas are virgin forests; but not the successful establishment of the crops grown on the land. Large areas of forest were wasted in this respect, which today would bring substantial sums of money to the local people. Some of the areas are among the best forested land the country ever had.

44. Sadly, however, there has never been any agricultural policy for the country, although recently, there was an interest to put one in place. It would help considerably if such a policy recognizes first, a need for domestic food security and secondly, the cash economy. The country, in recent times, has experienced periods of local food shortages in certain areas, so the people tend to depend more on imported food from overseas. Very little was done to understand the traditional food crops of the Solomon Islands and to see whether or not some of these could become exportable commodities to other countries. A good example is the **"nali"** nut (Canarium solomonensiS, C. mehanbethene). Recently, these nuts were found to be very suitable as an ingredient in cakes, the oils extracted from them are also of high quality. It is now an exportable commodity, at a time when most of the trees have been cut down to clear land for cocoa farms, coconut farms or cattle farms. Not only are the nuts from the **panicMar** tree useful, but exudates from it are used for incensing and the timber is suitable for indoor work. However, of the several species found in the country, only Canarium solomonensis was declared a protected species.

45. Traditional local food crops are naturally suited to local climatic conditions, yet some of these (e.g taro which used to be one of the main staple food in villages) has become scarce owing, probably, to lack of understanding their agronomic. Imported crops, especially, if these are to be promoted for village farmers, should be allowed only after very careful research has been successfully carried out.

V. Environment

46. There is a growing awareness of the importance of the impact of environmental conservation and protection in economic development. This has been brought about by the degradation caused by the extensive, and rapidly expanding, logging activities throughout the country. The adverse impact on rural living conditions forced upon landowners and rural communities is thus a cause for concern.

47. Lack of understanding of the environmental issues by public officers, together with inappropriate legal instruments contributes to the present situation. The traditional communities of the Solomon Islands well understood their environment and actively observed this with the greatest care.

48. They depended entirely on it for their livelihood, therefore environment conservation was most important to them and such land utilisation is an integral part of it. They had areas of land permanently allocated according to their uses; and these were related to soil types. The following forms the main basis of this allocation:

(a) Hunting grounds;
(b) Fishing grounds;
(c) Gardening sites;
(d) Village sites;

(e) House building material sites;
(f) Livestock sites;
(g) Drinking water sites.

Several areas are allocated for each of these in every community. This has s
to reduce pressure on any one site, a practise which required the relocati
whole villages now and then.

49. Rural communities have often expressed their concerns of the pos
environmental destructions caused by uncoordinated developments. Unfortun
the government has not been able to translate these fears into prac
programmes, instead, the people have been persuaded by giving a one sided pi
of the advantages but not the disadvantages of the proposed develo
programmes.

50. It is estimated that in 1992 some 10,000 hectares of tropical forest
logged. This is double the average of the previous five years. At this rat
commercially exploitable forests of the Solomon Islands will be exhausted b
end of the first decade of the next century. In recent months, the co
experienced a rapid increase in log prices which will make more areas potent
commercial. As these are exploited the remaining area of natural tropical f
will decrease and potential for the sustainable management of these reso
will be gradually diminished.

51. Damage to the environment caused by logging and farming extends from
degradation affecting soil fertility and the ability of these areas to regen
themselves, through to water supplies which may be polluted or silted-up
the run-off. Misguided operations, on the whole, would lead to polluti
coastal areas which may seriously affect the reef ecology of the islands.

52. Extensive logging and agricultural developments has affected the ge
ecosystem of some areas thus reducing the bio-diversity of the country.
widely recognised that the ecological balance in small island environmen
very fine and substantial dislocations to the natural order can have se
repercussions for future sustainablity.

53. Concerns for the environment also extend to the urban centre of Ho
where population growth, largely resulting from rural migration, has beg
lead to breakdowns in the urban infrastructure and services. Poorly s
squatter areas are now found in many parts of urban Honiara. Many of these
are not served by power, water or sanitation and are often only accessib
foot.

54. There is an urgent need for environmental understanding, not onl
theory, but more importantly in practise. Some of this knowledge may be
among the few village dwellers of the bush areas, e.g. Malaita.

55. The rapid increase of logging in the Solomon Islands is first, due t
global shortage of tropical hard woods, and secondly, those countries that
have forest stands of tropical hard woods, have introduced strict mea
concerning their harvesting. For example, some countries that had, previo
allowed the export of round logs have now stopped. Instead they only
in-country processing. Logging companies, therefore, have to look for new so
of raw material as they must continue to supply their overseas customers
in the case of the Solomon Islands, there is a third element. They are the
by night" operators who seek to find quick money whenever they can. The

group are the most unscrupulous. There have been some whose main interest is to gain only the timber right concession. They then use the value of the timber standing on the land, to raise funds overseas or invite other overseas companies to come and log the area. The Solomon Islanders are not well aware of such multiple dealings, and are sadly at a disadvantage.

56. There is no remedy for cancellation of the timber right concession granted to a foreign company if, later on, the people realised that what was happening is not what they had in fact agreed. Another disadvantage facing the Solomon Islanders is when foreigners approach the local people directly. As these are often on customary land, the government can do nothing to prevent any agreement between the land owners and the logging companies. When negotiating an agreement, the local landowners are again disadvantaged as they do not have the same capability as those representing the foreign company and therefore unable to conclude a fair agreement. There have been cases when logging companies breach the terms of these agreements but, the local people find resorting to legal proceedings cumbersome and often do little about them.

57. Pressure imposed upon the local people by current developments is such that little consideration has been given to the impacts that these will have on the environment. People who are knowledgeable about the local environment are ignored while those employed by government whose knowledge is limited to reading papers and who lack practical experience are given importance.

58. Basically, the Solomon Islands, has always had two quite distinctive environments; the natural environment and the traditional environment. The natural environment is where most of the commercial timber stands are located. They are sometimes called **"virgin forests"**. Here the influence of man in conditioning the state of the vegetation is so minimal, until recently, when logging was introduced into the country. The traditional environment, on the other hand, may be regarded as the covering forests of secondary nature. These forest types resulted from land gardening using traditional methods.

59. In other words, traditional gardening practices have conditioned the state of the vegetation found in these areas.

60. Traditional societies of the Solomon Islands derived most of their domestic requirements from the secondary forests and the virgin forests. From the secondary forests, people obtained building materials for building, firewood, wild vegetables and a good proportion of traditional medicines. Apart from this, the secondary vegetation, provided special habitats for particular types of fauna that are found here. Some find these secondary forests specially suited for breeding, others use them for feeding. The absence of these secondary forests, as is the case today, not only means the diminishing populations of the fauna usually found there but also other species that make them up. Similarly, traditional practices of the people followed a particular set pattern which ultimately ensured maximum soil conditions for gardening. These are now being lost in the process of increase developments.

61. Unfortunately, whenever, the subject of environment is brought up for discussions, it is limited to considerations of the virgin forests. Probably this is because logging activities have an immediate and obvious impact on the minds of the people. Their impact on local committees is, however, less than what is experienced in agricultural developments. The impacts on the environment caused by agricultural developments is widespread and undeterminable. The destruction

caused by agricultural development, through environmental degradation is being felt heavily by rural communities in some areas. Particularly in areas of high population density, such as on the Island of Malaita.

VI. Agricultural development

62. Since the introduction of modern agricultural practices the people have totally lost their traditional farming practices. These practices were biased towards environment conservation as well as preservation.

63. Agricultural developments has been and is being encouraged individually throughout the country. Not only are these having an adverse effect on the environment but they also bring in economic hardship for the local people. Crops have been found growing in areas most unsuitable for them, the results of which is that they don't perform at all. An example of this is in the case of coconut (cocus, nucifera) which is naturally a coastal plant. Instead of advising people of this fact, agricultural workers have encouraged farmers to establish coconut plantations in unsuitable areas. And where the trees do not perform well, they were advised to apply chemical fertilizers (NPK) as a means to enhance growth. However these only worked for a while after which the trees again suffered and because of lack of funds by the farmers; further fertilizer application cannot be done and so the plantations become stunted and reverting to bush.

64. Agricultural development is also responsible for large areas of virgin forests having been cleared. Some of these are amongst the best forest stands in the country where they are also easily accessible. All the timber on these areas were felled and allowed to lay waste and rot on the ground. Had these forests remained today, a lot of money would have accrued to the local landowners, far in excess of what they are receiving from their agricultural produce.

65. The indiscriminate farming on land have led to the drying up and the general lowering of water levels in some rivers. This is noticeable on the islands of Guadal canal and Malaita. Some drinking water sources have become heavily contaminated, reducing their quality for human consumption.

66. Agricultural development permanently removed the natural vegetation, and in areas where this is severe, there are evidence of lowering of the water table in the soil. For this reason trees which grow in such degraded areas, but which usually grow to great heights to occupy the top canopy in a forest strata, do not now reach their normal heights. Heavy rain fall which occur in the country for almost around the year indeed, is a blessing. Without this, the highly degraded areas could easily turn into deserts.

VII. Forestry development

67. Logging in the Solomon Islands, started before the Japanese invasion of the country in the second World War in 1941. This was temporarily suspended during active war days. At that time logging was limited to a single tree species, called the Kauri (Agathis macrophylla), the only pine tree occurring in the country; and on the island of Vanikolo, in the Eastern Solomons.

68. Logging was carried out on a selective basis, and any Kauri trees which were below 2 metres circumference at breast height was not allowed for felling. Surprisingly, this has turned out to be quite effective, bearing in mind that there was then no establish forestry department, in the country. It seemed,

however, the determining factor for this operation had been mainly based on commercial considerations, instead of environmental considerations. Overall it is far cheaper to deal with a less number of large sized logs than it is with many small ones. In processing at the mills, the recovery rate into saleable products are much higher in large logs than it is with small logs.

69. Even so these have had their impacts on the environment. Fortunately, the island has been one of those thinly populated with very sparse communities. All of these are located at the coasts, with no one living in the interior. The people were less affected, except for a sudden increase in the number of people who came to the island for employment with the company.

70. Re-growth after logging was prolific, and within a year, logged over areas have been fully covered with climbers and other herby plants including those commonly found in secondary bush. Regeneration of the kauri tree was very vigorous in highly denuded logged areas. Unfortunately, the young kauri seedlings could not match the fast re-growth of other tree species. Soon these young kauri seedling were completely smothered. Somehow the seedlings can remain under heavy shade for several years, although growth is severely retarded during the time they remain under shade.

71. When a forestry authority was established in the country in the mid 1950s, it was decided to embarked on a reafforestation scheme on the island. This was conducted in the most outrageous practise possible. Fearful quantities of the highly toxic arboricides (arsenic) were imported for use in the operation. Forestry workers were taught how to use this deadly chemical to kill all trees found shading any young kauri seedlings. All small trees were cut down but large trees, which remained after logging and those in the regrowth were poisoned. Frills, were made by cutting around these trees, using bush knives or small axes, and the mixed solution is poured into the frills. The mix used was 1 part of arsenic to 3 parts of water.

72. The impacts the forestry operations had on the environment them was far greater than what the logging did. Trees were being killed and were dying everywhere, and from a distance, it appeared as if a bush fire had been through the area. This work was to have been repeated in the same areas at some future date, when regrowth again became strong, and thereby once more covering and overshadowing the young kauri plants. Somehow, this was abandoned in the mid 1960s when communications to the island had become difficult after the company wound up its logging operations.

73. There are areas logged over in pre-world war II, and in which no forestry regeneration work took place that have recovered naturally. Kauri trees in these areas are now of commercial size, the general status of the forests and that of the environment has recovered fully to its original state except the remains of old vehicle tracks found in the forest floor.

74. A boom in logging for the rest of the country commenced in the early 1960, picking up momentum during the last ten years. Now it is at such height where sustainability cannot easily support it for much longer. Unlike what took place on the island of Vanikolo, many more species of trees are subjected to these loggings. The following are some of the species included in the current logging operations.

(a) Callophyllum kajewskii - Clusiaceae
(b) Callphyllum vitienses - Clusiaceae

(c)	Pometia pinnata	- Sapindaceae
(d)	Campnosperm brevipetiolata	- Anacardiaceae
(e)	Terminalin brassii	- Combretaceae
(f)	Terminalin sepicana	- Combretaceae
(g)	Terminalia calamansanai	- Combretaceae
(h)	Dillenia solomonesis	- Dilleniaceae
(i)	Vitex cofascus	- Verbenaceae
(j)	Intsia bijuga	- Caesalpiniaeceae
(k)	Eudosperma medullosum	- Eupporbiaceae
(l)	Schizomeria serrata	- Cunoniaceae

The following tree species have been declared protected:

(a)	Gmelina moluceana	- Verbenaceae
(b)	Canarium solomonense	- Burseraceae

More species, however, should be included in the protected list. Especially those of traditional medicinal value.

75. From previous logging of a single tree species, current increases to a minimum of some 12 species has meant that the impact in the environment, has similarly increased both in intensity and area. But the impacts have been further increased by forestry regeneration programmes. Replantings on the whole is made by growing exotic species, which mean that whatever has remained of the original natural vegetation must be removed to make room for the new crops. Had it not been for economic reasons, and the logged over areas of land left to recover naturally there are very strong evidences that the environment would recover fully, as is the case on the island of Vanikolo.

76. Economically it is government policy to replant areas of land under logging with the aim of providing sustainable yields for the future. Environmentally it is destructive, as this is permanently removing the native vegetation; thereby also the fauna which inhabited them.

VIII. Fisheries development

77. Approximately, there are about three types of fisheries in the Solomon Islands. That is:

(a) The tuna/skipjack fisheries;
(b) The deep sea fisheries;
(c) The coastal fisheries.

There is, however, a fourth one which is much less taken note of and nothing is done about it. It is the fresh water fisheries.

78. The Tuna/Skipjack is a highly migration fishery and is not confined to The Solomon Islands. The deep sea fisheries is located in deep sea beds of the country. It is stationary and does not move about so much as the skipjack. The coastal fisheries are usually found along coast lines of the islands.

79. At present commercial fishing in the country is concentrated on the Tuna/Skipjack fisheries. Management strategies of this resource, based on sustainability, is included in an agreement signed between The Solomon Islands Government, as the owner of the resources, and Taiyo Company of Japan as the foreign fishing company. The agreement, known as the Joint Venture

Agreement (JVA), has a duration of a five year period after which it is due for renegotiation between the partners. The agreement does not stipulate automatic termination or extensions after the five years. Rather the five year period interval is regarded as particularly suitable for operational purposes. Two revisions of the original agreement have already been made and a third one is due in about three years time.

80. The important features of this JVA, concerning harvesting of the resources, is the catch quota per annum, the minimum catchable fish size and the three mile coastal strip excluded from fishing. The catch quota allowed in the agreement is 70,000 metric tons annually. The resources are estimated to sustain a volume of up to 100,000 tons annually, but it is considered safe to remain below the allowable limits rather than the maximum volume. Harvesting at the maximum limit allowed is feared if anything should go wrong, thereby threatening resources. On the other hand, this fishery is one which is highly migratory, and its is often argued that a quota system is meaningless, as the fish allowed to live in the country, is caught when it migrates to the next country. While the policy objectives of The Solomon Islands are sound, in this respect, management wise it would make itself the loser in the long run. The necessary, management of such highly migratory fisheries can only be done effectively on a regional level, instead of in individual countries.

81. The Solomon Islands and Fiji apart from Australia and New Zealand, are the only countries with highly developed fishing industries, among the FORUM countries of the South Pacific, but the species harvested is common and freely moving between island countries of the region. Other countries of the region, therefore also wish to receive some benefits from this resource. For them to do so, they have to licence foreign fishing vessels to come and fish in their waters.

82. South Pacific is relatively rich in the tuna fisheries resources. Particularly the area between the Solomon Islands and Papua New Guinea has been known to has high populations of the tuna/skipjack. Foreign fishing nations regard separate access fishery agreement with each country of the South Pacific as cumbersome. Instead they wish to have only a single agreement covering all the countries of the area, except Australia and New Zealand. The main proponent of a regional agreement for countries of the South Pacific Region is the United States of America, in the form of a multilateral Fisheries Treaty.

83. Mindful of its own fishing industry, the Solomon Islands was not keen on allowing foreign boats in its waters, but wishes to protect its own industry. Initially, therefore, it was not willing to participate in the proposed fisheries treaty, but a such stand would certainly isolate the Solomon Islands from the rest of the countries of the region which may weaker solidarity of member countries. Finally, it decided to participate, but limiting its participation to only a certain designated portion of its waters for inclusion in the treaty which would be accessible to foreign fishing vessels. The rest of its waters are to be kept for the development of its own fishing industry.

84. The deep-sea fish resources of the country are yet to be developed at commercial level. Very little therefore is happening in this area.

85. Regarding the coastal fisheries, although the JVA prohibits fishing in the three mile coastal strip by commercial fishing vessels, the techniques used for fishing depended very much on the availability of fish baits. Unlike other countries in the South Pacific, The Solomon Islands, fortunately has abundant

fish baits naturally available, but these are found mainly in coastal are For this reason, the fishing company is allowed to obtain the baits from th coastal grounds. The sudden removal of fish baits in large quantities have b found to have resulted in the tuna/skipjack fish not being able to come clo to the shores. The baits have been the main attraction for coming close to shores. The fishing method used by the company is pole-on-line, with the use rafts specially constructed and placed in strategic locations. The rafts prov temporary stations for the fish after days of journeying, and catching is m easy instead of roaming endlessly to locate suitable schools of fish.

86. Overall the impacts on coastal fisheries, in terms of scarcity of tuna/skipjack near the shores is very noticeable. As a direct resu traditional fishing methods used by the local people had been made ineffecti It is assumed this may also has impacts on the marine environments.

87. The fresh water fisheries, which could be made an important industry at present totally neglected. If anything, destruction is being done to t resource, through careless developments and which is at a most advance stage some parts. A high proposition of fish which were usually found here h already disappeared in some places. The combined impacts brought by agricultu and forestry developments are largely responsible for this.

IX. Trade arrangements

88. The importance of international trade to The Solomon Islands economy already been mentioned. Along with the other ACP member countries, the Solo Islands, enjoys preferential access to European markets, through the provis of the home convention.

89. The Solomon Islands depends on exports of primary commodities to international, and more specifically to the European market where preferential access under the provisions of the Lome Treaty is made.

90. Similar trade arrangements under the FORUM are more favourable towa Australia and New Zealand. Other member states of the region have recei increased imports from Australia and New Zealand, with little increases exports. Trade within South Pacific, under the Pacific FORUM, could be develo further for the mutual benefit of all its members.

91. The Solomon Islands need to watch out in order not to become a dump ground for poor quality products imported from outside, including out-of da technologies.

92. As other countries, especially in South East Asia, e.g. Malaysia, Singapo and Indonesia are able to introduce legislations restricting certain activit concerning harvesting of their tropical hardwoods, forests, the Solomon Island conversely, is at a disadvantage. Its current legislation contains numero loop-holes giving so many escape channels for logging companies. Logging is se as easy money by the local landowners which can bring them immediate cash comparison to agricultural crops.

X. Population

93. The 1986 population census indicated that the rate of population increa between 1976 and 1986 had averaged approximately 3.5% per annum. Over the year inter-censal period the total population had increased from 196,283 in 1

to 285,176 in 1986. Extrapolating the historic growth rate from 1986 to 1993 suggests that the current population is approximately 360,000. At a growth rate of 3.5% the population will reach 750,000 within about 20 years.

94. The age structure of the population is such that approximately 50% are in the 0-14 age group. This clearly indicates that there is growing pressure for the provision of services:

(i) In education facilities, as these children move through the second system;

(ii) In the labour market, as they leave school in search of employment;

(iii) In the population growth rate itself, as the females reach child bearing age; and

(iv) In the requirements for health services, as the people age and themselves have children. There is therefore a need to look at way in which fertility can be reduced through an effective family planning and education programme. If this cannot be achieved the country will become caught in a population growth spiral with adverse social and economic implications for everyone. It will be very difficult to achieve one objective of long term sustainable economic development and growth if the population continues to increase at its historic rate.

95. The disadvantages already being experienced by the rural people can be gauged from the fact that there are an estimated 5000 villages in the country, of which some 50% are estimated to have less than 20 inhabitants. It is also estimated that some 90% of the villages are served neither by regular shipping services nor by an accessible road.

96. As population pressure increases in particular areas so the rural people will be driven to move further into areas of marginal agricultural potential. More villages will be established and the fragmentation and dispersion will exacerbate the difficulties of providing education and health services.

97. The increase in population in so far as it relates to impacts on the environment can be seen in the context of an increase in the consumption rate, thus a high demand on available resources. There will be many more people which also increases the frequency of their interaction with the environment.

98. While it is possible to counteract many misunderstanding by formal teachings or holding workshops, it would be far more useful if the people were able to practically participate in conserving their environment.

XI. Labour and employment

99. In 1986 the labour force, those in the age group 15-59, accounted for 136,000 people, 48% of the total population. The 1991 employment survey found approximately 26,630 people in formal employment. This would have represented about 16.5% of the 1991 labour force. In 1993 the numbers in the labour force would extrapolate to around 173,000. These figures clearly indicate the importance of the informal economy in providing the basis for rural economic activity.

100. The annual employment surveys indicate that formal employment increased by an average of only 3% per annum over the 1983-1991 period. This is a lower rate than that of the general population growth and therefore suggests that an increasing number of people are finding it impossible to gain employment in the formal sector of the economy.

101. Historically, the public service has provided a steady source of employment opportunities. With constraints on the budget and the need for public service restructuring this source of employment will no longer provide the core source of vacancies.

102. It is estimated that some 7500 young people join the labour force each year. Of these, only some 1500 have enjoyed the benefits of any post-primary education. There is thus a need for a broad based increase in employment opportunities both in terms of the "self-employed" in the context of a traditional rural lifestyle and environment and also in the provision of higher "formal" sector employment for all levels of educational and training attainment.

103. Future employment opportunities and growth must be generated from within the private sector. National development strategy for the Solomon Islands therefore has this at its very centre. Without an increasing number of employment opportunities, essentially in the private sector, there will be growing pressure at the social and economic levels as unemployment increases and average incomes decline.

104. In terms of real economic growth the high rate of population increase means that the economy must itself grow by at least 3.5% per annum per capita income to remain constant. On average, over the last decade, this has not been achieved and there has, therefore, been a steady decline in per capita income.

XII. The Government system

105. System of Government

(a) The Solomon Islands has a three tier uncommercial government, a National legislative Assembly of 47 elected members, nine Provincial Governments,and a host of Area Councils.

(b) The number of politicians have increased quite alarmingly from 180 in 1978 to 614 in 1993. An average annual increase of 16%.

(c) The Provincial Government Act stipulated that Parliament would gradually devolve to Provincial Government more responsibilities and functions. Particularly, as regards to matters of provincial administration and developments. Not only this but Provincial Governments have been able to make their own policies and provincial ordinances.

(d) The trend now emerging is that eventually Parliament or the Central Government will retain very few subjects under its direct control. Remaining responsibilities within the Central Government should therefore correspond to and match similar reductions in manpower, thus a reduction in expenditure. The recent increases from 37 members of Parliament to 47 is not therefor consistent. Instead it has resulted in an increase in the number of portfolios from 15 to 18 Ministries.

(e) Legally, the National Parliament and Provincial Governments are separate entities. Both are respectively elected to office through national and provincial elections.

(f) Presently all Provincial governments draw their administrative manpower from the central government pool of public officers. More than 50% of all provincial budgets, which have increased from $0.9 million per annum in 1978 to $30 million in 1993, are in the form of grants made from the Central Government. Provincial expenditures have increased on average approximately 193%. With the current government budget of $100 million per annum and $30 million being allocated as grant to the Provincial government, there is obviously no reduction in the national government expenditures.

(g) In 1978, there were 2,493 public officers drawing annual personal emoluments 41% of the national budgets. This has increased to 5,000 public officers, in 1993, attracting personal emoluments of 60% of the annual budget.

(h) With a large proportion of available financial resources committed to non-productive activities services have been adversely affected. This is made more difficult as demand for services are increasing, forced by the natural high population increase.

(i) It is estimated that, at present, the population of the Solomon Islands is 345,000 people compared to 211,233 in 1978. Government deficits have increased over the same period from 5% to 14% of GDP.

(j) All the increases in the national government, as provided above, present a very confused picture. On the one hand, there is a desire to devolve functions and responsibilities to the Provincial government, while on the other hand, there is a tendency of reluctance to do so. This is a cause for confusion. Not only politically but also administratively. No one seem to have a clear understanding of what is needed.

(k) Lack of long term development plans has hampered economic activities forcing constraint in the country. Instead the country have actively pursued political motives as evidenced by provisions of the Provincial Government Act. In this it is stipulated that provinces would have their own public service manpower. Politically therefore, much progress has been made by firmly establishing the provincial government system, although there are some major problems yet to be resolved.

(l) Economically, the country is suffering from a lack of long term visions. Attempts in the past for a development plan did not receive the necessary political support. Politicians may have felt this was the administrators' plans, rather than the ruling governments. This is, of course, correct as succeeding governments which came into power have had no clear policies of their own. Their programmes are usually formulated only after elections into office and are of a short term duration, lasting not more than the term of the government itself which is of four years duration. When a new government comes into office there is a high risk of programmes of the previous government being disturbed, suspended or cancelled. This has happened with the present government when they stopped three major projects of the last government.

(m) Records also revealed that in 1984 there were many uncompleted projects. Many of them are small projects but this showed that the quality of

project implementation and co-ordination is generally weak. It also indicated that profile documentations and preparation work and appraisal of new project proposals is not very effective, including screening and approvals.

(n) Generally, there is lack of appreciation of the need of appropriate skills necessary for the performance of certain tasks. When government development programmes are changed this is not complemented by a similar change in technical manpower with relevant skills that would support the new programmes. Instead, the same personnel recruited and assigned to the old programmes are given the responsibility. They are assumed to have been capable of converting their expertise from their previous skills to new skills appropriate to the new programmes.

(o) For a more progressive economy, the Solomon Islands needs to have a long term plan covering a period of 20 years. This would set out the national broad objectives. Each new government can then decide on their own development programmes within the parameters of these national objectives. The government would need to have better experienced and skilled personnel in the administration for it to be able to do this, than what is available at present.

(p) A 20 year plan would necessarily attempt, by extrapolation, to determine the total population at that time, by using either the current population growth rate or another factor which would be considered by policy to be the national allowable growth rate. Having thus determined the total population it would then be possible to arrive at a possible consumption pattern for which funds must be secured. With such information it will be realised that current natural resources will not be able to sustain an increased consumption. This would enable a decision to be made in shifting the economy from its current natural resource based to a much broader base economy. For example, industrial developments could be considered as vital for lifting the economy, and if so at what level and what industries. Noting, of course, there are industries which are also harmful to the environment.

(q) The period of 20 years is regarded as average in consideration of training of appropriate skill manpower who would be required to man the various industries. This will include other professional such as engineers as the country would need to develop essential infrastructures etc.

106. Role of Government in Fostering Sustainable Development

(a) The structure, resource base and macroeconomic situation of the country, present both challenges and constraints to the development process. These various factors dictate, to a large extent, the development strategy that the country is able to follow and the policy options from which it can choose.

(b) The role of the government is, within the limitations imposed by the foregoing constraints, to:

- create general administrative and institutional conditions favourable to economic and social development including education and training, administrative and economic infrastructure, political, social and economic stability so as to encourage investment;

- increase awareness of development potentials and advantages through the analysis of the various development options; analysis of the

impact of each on the factors of production and outputs; and the dissemination of information to interested parties in both the public and private sectors;

- promote government investment in the social and eonomic infrastructure necessary to support the development of productive assets in both public and private sectors in the Solomon Islands this is especially important in relation to development at the provincial level; and

- stimulate private sector investment and output through the provision of concessionary credit, investment incentives and other support measures, especially in the agriculture and natural resource sectors where the country has demonstrated comparative advantage.

(c) Fulfilling this role does, however, guarantee economic growth. In practise, the economy is driven by the wide spectrum of economic and social decisions made by individuals and corporate enterprises. These decisions will be influenced by the manner in which the government fulfils its role but they will generally not be determined entirely by it. Sound domestic policies can be undone by the adverse effect of external activities. This has been experienced many times over the years in the Solomon Islands where falling commodity prices and adverse climatic events have upset carefully laid policies and development programmes.

(d) Governments as custodians of the countries resources, are responsible for effective use of these for the benefit of the people for a healthy economy. The private sector investment is important, both foreign and local. The government will need to introduce appropriate legislation conducive to investors with incentives. The incentive would take various forms including those biased towards less impacts on the environment.

107. Government in Sustainable Development

(a) In the Solomon Islands the government has played a major role in economic activities. It is estimated that public expenditure makes some 45% of GDP. The government's impact on the economy takes three forms:

- directly; as an economic actor consuming and producing goods and services in its own right and in implementing a public sector investment programme;

- indirectly; through the impact of its taxation, borrowing and expenditure decisions on the performance of other economic sectors; and

- by regulation; through the nature and extent of the regulatory, licensing and prohibitory actions affecting decisions of other economic factors,both domestic and foreign.

(b) In the Solomon Islands the direct impact is large. Approximately one third of all formal employment is within the public sector, including the provincial administrations and statutory corporations. There are inefficiencies in this large public sector and resource allocation has not been well prioritised. There is a need to restructure the public service with the aim of producing a smaller, more efficient and cost effective service.

(c) The government need to pursue a programme of commercialisation a privatisation of government commercial enterprises. Both programmes have mov slowly in the last year as difficulties of implementation have been met a overcome. There are many gains to efficiency which can be achieved through t removal of, for example, hidden subsidies and the opening of enterprises market forces without the full process of privatisation.

(d) The annual public sector investment programme, funded by developme assistance flows and contributions from domestic resources, comprises the large component of capital formation in the national economy. Over the last year 1991-1993, the annual Development Estimates have budgeted for an average of ov SI$100 million per annum in cash development expenditure.

(e) The indirect impact of the government on the economy has had a hi profile in the Solomon Islands. Recently, the structure of the taxation syst was radically reformed. Direct taxes were reduced while a broad wholesale t was introduced to broaden the taxation system and to spread the burden.

(f) Foreign investment has also been encouraged and there is a compl system of investment incentives, including taxation holidays, available to bo domestic and foreign investors. It is recognized, however, that most investme decisions are made on analysis of market conditions and access, resource cos and availability, general political and social stability. The Solomon Islan does well on these counts and there is therefore some doubt as to the re significance of taxation incentives in the final investment decision. investors see taxation holidays only as a marginal factor in their investme decisions then the government is presently giving away potential tax reven unnecessarily.

(g) Where public expenditure exceeds revenue the government needs borrow to finance the budget deficit. In the Solomon Islands deficit financi comes from domestic borrowing and the extent of government's borrowing can ha repercussions for the private sector. In 1991, when government's defic financing borrowing requirement rose to SI$70 million, there was a significa liquidity squeeze within the domestic banking system and lending to the priva sector was "crowded-out" by government borrowing. Such "crowding-out" tends drive interest rates higher to the detriment of investor confidence. The contr and careful management of the budget is therefore of primary importance ensuring sustainable development.

(h) The Solomon Islands is not generally a regulated economy. There ar as already noted, few trade restricting regulations or price distorting control Such regulations on economic activity that do exist are designed primarily control the use of land and to limit environmental damage or, in the financi system, to lessen the risk of destabilising shocks to the system and to ensur through the foreign exchange mechanism, that the value of economic activi generated in the country is retained in the form of foreign reserves.

(i) It is through these various mechanisms that the government is ab to influence the sustainability of development in the country. In the Solom Islands the system of provincial government is now firmly established as central feature of the national administrative system. The declaration of t new provinces in the last year, Choiseul and Rennell/Bellona, confirms t importance which is attached to provincial status as a catalyst for developmen

108. Provincial Government in Development

(a) In a small widely dispersed country the provincial system is not without its problems. For example, while the responsibility for many services has been devolved to the provinces the funding for their activities still comes from the central government. In other areas the central government has maintained its own establishment in the devolved functions and there can be duplication of effort and a double level of bureaucracy.

(b) Providing adequate budgetary resources to the provincial administrations is a serious problem for the cental government. Some 80% of provincial budgets come from the central budget and since the central government's own budget is tightly stretched it finds it easy to cut back on direct grants and subventions to the provinces with the consequence that many provincial services are underfunded.

(c) This can also result in the unequal delivery of provincial services and there may be significant variations in the standard of service provided by different provinces. The unit cost of delivery is also often very high.

(d) Many provinces have established their own Development Authorities in order to provide a focal point for the promotion of commercial and economic activities. However many lack a sufficiently well established economic base from which to raise their own revenue and this limits their ability to pursue any truly independent development programme. While the provinces are keen to gain greater financial independence from the central government and wish to establish commercial joint ventures for the exploitation of their natural resources, they often lack the technical knowledge and expertise to negotiate beneficial projects with the foreign partners. There are also signs that in some provinces the prospects of short-term gain have been allowed to outweigh considerations of long-term sustainability.

(e) The lack of adequate qualified and experienced manpower and the need to provide high-level administrators to the provincial administrations means that high level personnel are very thinly spread.

(f) For sustainable development to become firmly established there is a need for the central government to determine, in conjunction with the provincial administrations, a set of national priorities for the allocation of scarce budgetary resources. This would include emphasis on health and education and the development of the private sector, both agriculture and industry, to provide the basis for employment creation and economic growth in the provinces.

(g) All the provinces of the Solomon Islands make up the nation, where majority of the people live and where all the resources are located. Essentially therefore, the provinces are a better place to manage these resources as they are located directly in their areas of jurisdiction. In this regard, the central government should provide the provinces with the necessary support service to allow them to effectively carry out development programmes useful for their own people. Operational functions, therefore, in this instance, could be given over to the provinces and only legislative functions to remain with central government.

XIII. Relevancy of the Government system

109. After 15 years of adopting the present system of government experience gained during this period revealed some major areas of concern. These included duplication of efforts by both national and provincial governments which also affect their respective administrations. Certain areas of weakness in the present system require improvements, such as the roles of members of Parliament and those of their provincial counter-parts.

110. The Solomon Islands is comparatively small, by international standards, with ample based resources. Its administration could be greatly improved, provided there is a real desire.

111. Many of the institutions, wholesomely imported and which have become part of government administration machinery, attracted unnecessary financial burdens. For example the offices of the Ombudsman and Leadership Code Commissions are so tiny that their effectiveness can be so minimal. Their roles are similar in ensuring acceptable conducts by those holding public offices. As watch dogs they should be mandated to prosecute officers who abuse their offices.

112. The Public Service Commission's main role, among others is to appoint officers to the public service of employment. As there is only one government, there is no question, there is only one employer for the entire Public Service. Annual budgets for personal emoluments approved by Parliament confirm this. The current different Commissions should all be abolished and a single Commission be established in their place. If there be need, however,for technical reasons, there should separately establish technical bodies for the purposes of administering ethnical codes and practices. This is quite distinct and separate from employment purposes.

113. Recent political moves to control the Civil Service is a matter of grave concern. This has led to the general low performance of officers. Appointments have not been made based on experience and qualification but rather on who one knows. This is inspite of the fact that the National Constitution prescribed that the Public Service is to be free from political interference. However, the weakness of the Constitution and its supportive instrument, the Public Service Regulations, in this regard is that both do not prescribe the qualifications of those to be appointed members of the Public Service Commissions. Ex-politicians who lost out in general elections have therefore been appointed to the posts of chairmanship but technically lack the necessary experience of public administration. This is done as a token of well-wishes from the political government but as the position of the Chairman, in this case, is subjected to political whims the people holding the post are tied down. There is no security for career development for Public Officers as appointments could at times be made on personal popularity.

114. Certain events in the past, pointed a need to look again at the role of the Governor General. The country would be served better if the governor General as Head of State, is given authority to exercise in his own judgement, when need arises. Such authority should include power to remove the Prime Minister, when the behaviour of the government in power is threatening the well-being of the Solomon Islands.

XIV. Summary

115. Development activities in the Solomon Islands generally suffer from the lack of an effective coordinated machinery in place. There are some Ministries of the government whose development programmes directly contradict official policies of other Ministries. For instance, logging activities in the country create ideal breeding grounds for mosquitos, the carriers of the deadly sickness malaria. Similarly farming methods using heavy plant equipments. Malaria is one of the major diseases which is costing the Ministry of Health huge sums of money every year.

116. In the worst cases, some Ministries are encouraging certain programmes which threatened subjects under their own responsibilities. Again this is not noticeable in agriculture, where some of its officially promoted activities undermined certain issues which also fall under its overall responsibility. For example, the encouragement of large scale coconut and cocoa plantations, and the

introduction of cattle have taken up most of the arable land the people usually used of their food gardens and has led to periods of food shortages in some villages.

117. There is an urgent need for the government to harmonise its various development programmes. To do this effectively, government policies should be made complimentary to each other instead of leaving these to chance as has been happening.

118. Coordination would be greatly enhanced if all legislations dealing with all aspects of development are made to compliment each other, but, of course, legislations in, fact are the results of government policies. Harmonisation of all development policies must be the first step towards harmonising their various legal instruments.

119. The contradictions in government activities has led to the impacts of development on the environment remaining unchecked despite the fact that there is a growing awareness of the importance of the environment. There are three major weaknesses which could render any attempts to officially promote environmental programmes ineffective. First, the Lands and Titles Act, as the principal legislation for all matters concerning land provides that all dealings in customary land must be in accordance with current customary practices. This Therefore does not therefore give power for any one to enter customary land, including the Commissioner of Land, for the purposes of enforcing environment legislation except with the permission of the landowners. It would be legally improper for another piece of legislation intended for a totally different purpose to attempt to assume authority in a subject which is under the supervision of another piece of legislation. For example, it would not be advisable for forestry legislations or environmental legislations to empower their respective officers to enter and deal in customary land. The entrance into land for forestry inspections or environment purposes can be regarded as dealings in land which must first be permitted by the Commissioner of Lands in regards to registered land. And as there is no specific provision concerning customary land regulation of development in customary land is most difficult.

120. Secondly, even if it was legally possible to regulate dealings in customary land, there is no ready available records of who owned what piece of land in custom. Customary landowners cannot be identified without too much legal entanglements.

121. Thirdly, the loss of traditional knowledge concerning environmental issues by the present young population could lead to a total ban of some development programmes. Preferable environmental conservation is more ideal than the one which might be of environmental preservation. This fine distinction between the two parameters would have to be clearly stressed and a certain balance to be maintained.

XVI. Suggested guidelines for new policy initiatives

122. The administrative and political system of any nation is like a piece of machinery. Its aim is to be effective as well as efficient in whatever category of work is expected of it. As with all equipments it needs regular maintenance and at regular intervals, but the work must be done by personnel experienced in that particular piece of equipment if its is to be properly done.

123. However there will be a time when even such regular maintenance would not improve the performance of the machinery; but instead becomes a financial burden on the owner. Both for efficiency and economic reasons, the machine has to be replaced with a new one. Sometimes the new one might even be of a new brand.

124. Similarly, the administrative machinery of a government needs regular checks to see if it is still efficient and effective in providing the required services. The suggested guidelines here below touch on some of the major subjects not limited to the Solomon Islands alone but true of many countries. Not that the systems are faulty in themselves, but basically these are the pillars and foundations of the economic activities as being the product of the system which is at work.

(a) Drawing up a long term development plan covering a 20 year period. This could require services of experts that have not been available in the country so far.

(b) The Customary Records Bill,passed recently in Parliament, should be disallowed for public use. Provisions contained in this Bill,directly threatens and seeks to altogether replace customary land with something unknown. A new piece of legislation is required with the objective of safeguarding customary land practices. If properly done the legislation would give or confirm administration of customary land to remain with those customary owners.

(c) Encourage better understanding of local environments used by traditional societies. The knowledge acquired to form the main basis for assessing new and present development programmes and the impacts they have or would have on both rural communities and their environment.

(d) Improve present legislations such as the Forest and Timber Controls Act to provide more direct assistance to local resource owners; through technical assistance in supervision of exploitation operations. It is estimated that both the country and resource owners are loosing substantial revenues because of the absence of supervision of resource exploitation by foreign companies apart from any damages caused to the environment.

(e) The present machinery of government retained certain carry overs from pre-independence administration. It is in need of some modification if not restructuring. The current government structures as adopted from the previous colonial administration is heavily biased towards a career in administration and is not development oriented. There is a need for a new structure which is

development oriented. Professional career officers are in short supply and those usually successful in their training usually end up in administrative posts because the career profession has limitation in advancing further compared to the administrators. Some of the current senior administrators were failures in professional training and who would, in normal situations, not be able to advance very high. This is a discouragement to the professionals who find themselves working under those who have failed professional training but hold the most senior administrative posts.

(f) The Provincial government system was a copy of that in neighbouring Papua New Guinea which is facing problems. Symptoms of these are also obvious in the Solomon Islands. The Provincial government still has a good chance in the Solomon Islands, however, provided there is not too much strain on the rift between national parliamentarians and their provincial counterparts. Such rifts can be serious as it tends to affect rural communities. The Provincial Government Act could be greatly improved with certain amendments made to it to harmonize rather than separate the roles of the two levels of politicians. The provinces where resources are located should be given the authority to be responsible for developing these. They are closer to the people where if there

is a problem, they are able to deal with this quickly. Having thus been made responsible for development programmes the provinces which are environmentally conscious would now be able to put in place appropriate legislation.

(g) Provide guidelines for training of the Solomon Islanders aimed at acquisition of appropriate skills and expertise relevant to the development needs of the Solomon Islands. The practise of officers applying themselves for training awards at the expense of the government should be revised. An officer wishing to pursue training for personal interests would be required to resign from his/her post. The question of retaining officers on full salaries while pursuing training courses of their own interests is not consistent with proper financial management practices.

(h) As Head of State, the Governor General should be provided with additional powers which would be exercised by him at times of political uncertainties. Rather than for the purpose of penalising the government such provision will undoubtedly be a permanent reminder to all governments coming into office to act responsibly at all times.

(i) Combining the offices of the Leadership Code Commission and Ombudsman into a single office, properly equipped with full staff is essential for their intended functions. For this office to be fully functional further powers will need to be given to it. Especially, it should be empowered to prosecute leasers found to be grossly abusing their public offices.

(j) There should only be a single Public Service Commission to replace the Teaching Service Commission, Police & Prison Services Commission, Judicial & Legal Services Commission and the Public Service Commission. With a single office there will only be one secretariat service.

(k) Make provision ensuring the independence of Public Service from politics. Appointment of membership to the Public Service commission should be from those experienced in Public Service Administration.